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**EXHIBIT 7**



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## REPORT OF INDEPENDENT AUDITORS

The Board of Directors  
Adventist Health System/West

We have audited the accompanying consolidated financial statements of Adventist Health System/West (the "System"), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Adventist Health System/West at December 31, 2015 and 2014, and the consolidated results of its operations and changes in net assets, and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

March 30, 2016

**CONSOLIDATING STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**  
(In thousands of dollars)

**ADVENTIST HEALTH**

Year Ended December 31, 2015

	Consolidated Balances	Adjustments and Eliminations	Adventist Health Corporate Office	Adventist Health Physicians Network	Adventist Health Plan	Adventist Medical Center (Haiford)	Adventist Medical Center (Portland)	Adventist Medical Center (Reedley)	Glendale Adventist Medical Center	Castle Medical Center	Feather River Hospital	Glendale Adventist Medical Center
<b>UNRESTRICTED REVENUES AND SUPPORT</b>												
Gross patient charges:												
Inpatient daily hospital charges	\$ 2,650,880	\$ -	\$ -	\$ -	\$ -	\$ 118,525	\$ 110,253	\$ 15,124	\$ 87,844	\$ 88,737	\$ 510,750	
Inpatient ancillary charges	5,059,203	-	-	-	-	284,524	239,710	24,026	165,155	330,006	1,001,106	
Outpatient ancillary charges	5,740,492	-	-	-	-	624,305	389,007	131,319	175,787	655,013	603,412	
Other patient charges	880,389	-	-	-	-	64,115	88,116	35,883	10,830	94,310	58,320	
Gross patient charges	<u>14,330,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,586</u>	<u>-</u>	<u>1,091,479</u>	<u>827,086</u>	<u>206,352</u>	<u>439,616</u>	<u>1,168,066</u>
Less provision for contractual adjustments	<u>10,901,212</u>	<u>94,443</u>	<u>(94,443)</u>	<u>-</u>	<u>79,954</u>	<u>-</u>	<u>712,490</u>	<u>526,166</u>	<u>124,496</u>	<u>274,804</u>	<u>968,290</u>	<u>1,751,368</u>
Less provision for bad debts	<u>133,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,146</u>	<u>-</u>	<u>-</u>	<u>6,846</u>	<u>6,433</u>	<u>6,170</u>	<u>7,533</u>	<u>6,029</u>
Premium revenue	3,295,765	(94,443)	-	43,486	-	-	372,143	294,487	75,686	157,279	193,747	394,599
Other revenue	100,866	-	-	-	-	-	-	664	32,660	188	-	-
Net assets released from restrictions for operations	167,534	(256,654)	248,435	58,658	-	-	10,111	13,685	2,896	9,778	13,114	13,013
TOTAL UNRESTRICTED REVENUES AND SUPPORT	<u>3,576,373</u>	<u>(351,097)</u>	<u>251,464</u>	<u>107,255</u>	<u>-</u>	<u>-</u>	<u>383,089</u>	<u>341,398</u>	<u>78,772</u>	<u>167,290</u>	<u>207,005</u>	<u>408,356</u>
<b>EXPENSES</b>												
Employee compensation	1,724,284	(96,590)	145,887	24,812	572	153,923	175,923	38,175	78,261	98,599	197,054	
Professional fees	345,545	(2,567)	22,589	42,860	983	33,791	14,024	14,980	8,089	20,879	18,942	
Supplies	470,485	(227)	(19,057)	7,534	2	42,707	43,126	5,950	28,221	32,009	55,994	
Purchased services and other	690,739	(257,314)	87,100	31,943	150	72,295	90,944	12,872	32,566	40,401	124,676	
Interest	41,129	(6,285)	11,024	61	27	4,047	2,560	1,141	195	2,339	6,385	
Depreciation and amortization	164,182	1,068	26,076	226	-	15,501	10,655	1,851	7,267	7,482	18,827	
Impairment loss	15,000	-	-	-	-	-	-	-	-	-	-	
TOTAL EXPENSES	<u>3,451,364</u>	<u>(361,915)</u>	<u>273,619</u>	<u>107,436</u>	<u>-</u>	<u>1,734</u>	<u>322,264</u>	<u>337,232</u>	<u>74,969</u>	<u>154,999</u>	<u>201,709</u>	<u>421,878</u>
INCOME (LOSS) FROM OPERATIONS	<u>125,009</u>	<u>10,818</u>	<u>(22,155)</u>	<u>(181)</u>	<u>(1,734)</u>	<u>60,835</u>	<u>4,166</u>	<u>3,803</u>	<u>12,691</u>	<u>5,296</u>	<u>(13,522)</u>	
<b>NONOPERATING INCOME (LOSS)</b>												
Investment income (loss)	23,754	(10,818)	7,361	358	11	3,059	2,985	6	1,664	456	1,729	
Gain (loss) on acquisition	87,046	-	(2,000)	-	-	-	-	-	-	-	-	
Gain on early extinguishment of debt	1,799	-	1,799	-	-	-	-	-	-	-	-	
TOTAL NONOPERATING INCOME (LOSS)	<u>112,599</u>	<u>(10,818)</u>	<u>7,160</u>	<u>358</u>	<u>11</u>	<u>3,059</u>	<u>2,985</u>	<u>6</u>	<u>1,664</u>	<u>456</u>	<u>1,729</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM CONTINUING OPERATIONS	\$ 237,608	\$ -	\$ (14,995)	\$ 177	\$ (1,723)	\$ 63,884	\$ 7,151	\$ 3,809	\$ 14,355	\$ 5,752	\$ (11,793)	

See accompanying auditors' report on supplementary information.